

From Abenomics to Womenomics:
Working Women and Japan's Economic Revival
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Keynote Address

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Ms. Solis, many thanks for the kind introduction.

Ladies and gentlemen, it is an honor to speak here at the Brookings Institution.

I would like to take the opportunity today to explain how the administration of Prime Minister Abe is seeking to promote greater participation by women in the economy, and discuss the importance of this challenge. Before that, allow me to first briefly explain how I came to be in this role.

In July, I was appointed Vice Minister of the Ministry of Health, Labour and Welfare under the Abe Administration. This is only the second time, within the Japanese civil service, that a woman has held such a vice ministerial position, and the first time in 16 years.

I was honored to be offered the role. Naturally I felt some nervousness and had to think seriously before accepting, as I fully recognize the importance of the challenge and the heavy responsibility.

However, I immediately forced myself to overcome any such fears. I realized that this was a great opportunity to do what I have always been telling my young female co-workers to do: to seize the opportunity to grow and assume greater responsibility, whenever it comes.

This has always been my philosophy.

I was born in Kochi, a small city in Japan's Shikoku region. I studied at a regional university, and was, I think, a serious student. Like everybody else, I also had a dream. But my dream was rather realistic. I wanted to work and be self-reliant, as simple as that.

At that time, the Equal Employment Opportunity Law did not even exist. Very few private companies hired female graduates as candidates for executive positions. So I moved to Tokyo and applied for work in the national government where gender inequality was comparatively limited.

I had no relatives or friends in Tokyo to ask for support. I was on my own. But this experience, I believe, taught me how to be assertive when necessary.

In 1978, I joined the Ministry of Labour, now the Ministry of Health, Labour and Welfare, where I became one of very few female employees. But compared to other ministries, the level of participation by women was greater. Above all, I was blessed to have great mentors who always kindly gave me support.

Compared to major economies globally, Japan is often cited as a country with low levels of female representation. This cannot be denied.

However, from my own personal experiences, and as a person who has been involved in making policies to promote women's employment throughout her career, I can confidently tell you that Japan has made considerable progress.

We are, however, still facing major challenges.

Japan's workforce is now shrinking due to its low birth rate and aging population. It is a serious challenge that requires a serious, determined response.

Many, including Prime Minister Abe, argue that for Japan to sustain economic growth, it is vital that we better integrate one of Japan's most under-utilized resources - the skills, talents and drive of its women.

The demographic challenge is therefore a great chance for us to empower women.

After firing the first two arrows from his "*Abenomics*" quiver, namely monetary expansion and fiscal stimulus, Prime Minister Abe announced the "Japan Revitalization Strategy" as the "third arrow". Here, he stressed that creating a society in which women shine is at the core of his growth strategy.

Let me briefly explain where we currently stand in terms of the participation level. **(PowerPoint slides shown here).**

<SLIDE 1> Here, you can see that Japan currently ranks 10th out of 187 countries in the Human Development Index, HDI. This means that Japan has a long life expectancy as well as a high level of education.

However, we perform extremely poorly in the Gender Gap Index: 101st out of 135 countries. This means that, although Japanese women are well educated, there are not many opportunities for them to play an active role.

<SLIDE 2> The next slide shows female employment rates by age group. The light blue line is Sweden, the dark blue is South Korea, the pink is France, the brown is US and the red is Japan.

If we compare the red dotted line, which shows Japan data from 2001, with the red bold line, which shows the most recent data, a clear shift can be observed. We still follow the M-shape but we have taken great strides forward and will continue to do so. The M-shape means that there is still a large proportion of women who leave the labor force when they get married or give birth to a child, and then rejoin the labor force once the child has grown and there is less burden of child-rearing.

<SLIDE 3> Looking at total fertility rates and female employment rates among selected OECD member countries, we see that North European countries, France, the United States and Australia are performing well. In contrast, there are some countries that rank low on both rates. I think it is clear which side we would like to be on.

<SLIDE 4> Prime Minister Abe has set a goal of increasing the number of women in leadership positions to 30% by 2020. This is what the numbers look like today, in a few chosen sectors. For instance, the percentage of women who have reached Director position and above in the national civil service, like myself, is only 2.6%.

The data clearly shows the importance of making it easier for women to continue working and be promoted to higher positions. As I mentioned earlier, promoting women's participation in society is a key pillar of the nation's new growth strategy.

■ First of all, among the efforts currently underway in Japan, Prime Minister Abe is now asking the private sector to raise the number of women holding executive positions. To start with, he has asked firms to appoint at least one woman to their boards.

We have received positive feedback on such proposals from three major business organizations, representing several thousand of companies nationwide.

In fact, when I visited Mr. Yonekura, the Chairman of the Japan Business Federation for the first time as Vice Minister, our conversation began with how to promote the appointment of women to executive positions. This, I must tell you, is unprecedented.

Questions regarding greater female participation have started to be raised in shareholders meetings. Some companies are responding and setting clear goals and plans for appointing female executives. My colleagues at the Ministry are also busy working closely with the private sector to promote this policy.

Clearly the effects of Prime Minister Abe's policies are being seen across different parts of the economy, demonstrating his leadership in seeking to achieve his goal.

■ Second, it is also vital to ensure childcare is available to those who need it. In Japan, every family is eligible to apply for childcare arrangements, and at present more than 2 million children are enrolled. The quality of service is equally high, regardless of income level.

High-quality childcare was a major reason why I was able to continue working after giving birth. Like myself, there are many mothers who want to send their children to daycare centers and return to work.

However, in Japan, demand for childcare far exceeds supply, and waiting lists are very long. This shortage is a serious problem that is often cited as hindering women from participating in society. Demand is continuing to increase, and Prime Minister Abe has made resolving this issue a key part of the growth strategy.

The Abe administration has made it a goal to eliminate childcare waiting lists. To do so, we will ensure childcare is available to a further 200,000 children over the next two years. By 2017, when childcare demand is expected to peak, these additional childcare arrangements will be available to around 400,000 children, to help address latent demand.

By doing this, we expect to be able to raise the enrollment rate to the same levels as Sweden or France.

Realizing this aim will require substantial financing. Japan aims to ensure a stable revenue source for the improvement and stability of social security, at the same time as restoring our financial soundness.

A key part of this strategy will be to direct consumption tax revenues. These should go not only to the medical treatments, pensions and elderly care that are needed in our aging society, but also toward countering our falling birthrate.

I myself, as the person leading the department in charge, have been involved in enacting related legislation.

■ Third, it is important to develop a working environment that encourages men to play a more active role in parenting. Recently, a group of diet members, including Health, Labour and Welfare Minister Tamura, formed an unofficial, non-partisan group called “ikumen giren” or “union of child-raising men” in English. Another similar example is the “kosodate domei,” or “childcare coalition” consisting of governors, including one who took paternity leave while in office.

In Japan, men who actively play a role in raising their children are known as “ikumen.” This is a new term combining “men” with “ikuji,” the Japanese word for childcare. Incidentally, I am very happy to call my husband the original “ikumen,” because he was always there, helping out with child raising, doing the laundry and cooking long before it became more common for Japanese men to do so. I can tell you that his paella and roast beef are the best!

The government is actively supporting these trends, for example through revisions made in 2009 to the Child Care and Family Care Leave Law that provide mothers and fathers with greater access to leave and reduced hours to support childcare activities.

To ensure that those who take childcare leave feel comfortable and secure and able to enjoy parenting, it is important to secure their income. Under the current system, employees are guaranteed to be paid 50% of their wages during their leave. Under the instruction of Health, Labour and Welfare Minister Tamura, we are considering the possibility of increasing this amount.

In the growth strategy, Prime Minister Abe suggested extending childcare leave from 1 to 3 years. This raised concerns from some in Japan that he was encouraging women to basically leave work for 3 whole years. I would like to take this opportunity to say that this is **not** the case. The childcare leave extension is intended as an option, and he has called upon the business sector to make it easier for mothers and fathers to either take childcare leave or work reduced hours until the child is 3 years old.

This strategy is also backed by measures to expand childcare facilities, and provide re-training to help parents resume their careers smoothly after the gap.

There are many value sets and ideas regarding what a family should be. In considering which policies will be suitable, Prime Minister Abe is sure to listen to various opinions and respond thoughtfully and flexibly. It is very important for women to speak up clearly—after all, he is not a woman!

■ Fourth, we need a better work-life balance. In Japan, laws such as the Equal Employment Opportunity Law and Child Care and Family Care Leave Law constitute a solid foundation for greater participation by women in society. And there is no difference between men and women in terms of competence.

But in reality, many Japanese women still often find themselves shouldering a greater part of family responsibilities, such as childcare and household work. In addition, due to the expectation that full-time employees work long hours, women often have no choice but to step back from full-time work.

To resolve this problem, we must continue creating a good work-life balance for men and women. In Japan, the government, together with labor unions and employers' organizations, drafted a work-life balance charter to set the direction. They are now taking action to promote the initiative.

While Japanese society at large recognizes the need for a healthy work-life balance, implementing it can be a different story and very challenging. If I were asked what the worst enemy was in my attempts to build my career, without hesitation I would answer that it was the long working hours.

I'd be very interested to hear your thoughts on these matters, and to return to Japan with ideas for effective solutions.

- Finally, it is essential to make it possible for a woman to pursue her career for as long as she wants, and that she is given opportunities for promotion based on her capabilities and experience.

Whether it is on-the-job training or a qualified license, you work hard to brush up your skills. And when you reach a higher level through your efforts, you see completely different scenery and deepen your knowledge in ways you never imagined.

This is the best part of having a job—the feeling that you are achieving something! I would like to see all women grab opportunities that let them feel this fulfillment in their work.

In her recent book “Lean IN”, Sheryl Sandberg said that “women often judge their own performance as worse than it actually is.” Japanese women are no exception. Japanese women also tend to build their “own wall” and avoid taking on bigger tasks with heavier responsibilities.

I sincerely wish that they become more confident in themselves, act more assertively and do not run away from new chances.

Through the effect of measures such as those I have outlined, I am confident that we will see advances in the role of women in Japan. We will see “the society in which women shine” envisioned by Prime Minister Abe come true.

At a personal level, I find my job very challenging and rewarding, which I believe is very important. I would not recommend to others to take an easier or less challenging job just because you are also raising children. Only when you choose a job that you find challenging and rewarding will you find the energy to continue doing it. That is why I encourage my young co-workers to accept new tasks and chances of promotion whenever they are offered.

In closing, I would like to express a commitment. As a government employee creating policies under Prime Minister Abe, and as a working mother, I will do whatever I can to realize a society where having both a job and a family is perfectly normal for both men and women.